

UNITED STATES DISTRICT COURT
DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

SANDISK CORPORATION, a Delaware
corporation,

Plaintiff,

v.

MEMOREX PRODUCTS, INC., a California
corporation, formerly d/b/a MEMTEC
PRODUCTS, INC., a California corporation;
PRETEC ELECTRONICS CORPORATION, a
California corporation; POWER QUOTIENT
INTERNATIONAL CO., LTD., a Taiwanese
corporation; and RITEK CORPORATION, a
Taiwanese corporation.

Defendants.

CASE NO.: CV 01-4063 VRW

**[PROPOSED] STIPULATED
ORDER REGARDING
INJUNCTION, SETTLEMENT AND
DISMISSAL**

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1 Plaintiff SanDisk Corporation ("SanDisk") is the owner and assignee of United States
2 Patent No. 5,602,987, entitled "Flash EEPROM System," ("the '987 Patent").

3 On October 31, 2001, SanDisk filed a complaint against CompactFlash™ cards sold by
4 defendant Memorex Products, Inc. ("Memorex") for infringement of the '987 Patent. These
5 accused CompactFlash™ cards (the "Accused CF Cards") were purchased by Memorex from C-
6 One and defendant Pretec Electronics Corporation ("Pretec").

7 With the exception of a very small amount of sales, Memorex stopped selling the
8 Accused CF Cards in 2002. As a result, the revenue base on which any damages recovery would
9 be calculated in this case is relatively modest.

10 SanDisk and Memorex recognize that the economics of the case do not justify the fees
11 and expenses of trial.

12 SanDisk and Memorex hereby stipulate to, and this Court hereby orders, the following:

13 1. For the life of the '987 Patent, Memorex is enjoined from using in the United
14 States, making in the United States, having made in the United States, selling in the United
15 States, offering for sale in the United States or importing into the United States for sale, the
16 Accused CF Cards.

17 2. SanDisk's claims for infringement of the '987 Patent against Memorex relating to
18 the Accused CF Cards are dismissed with prejudice. This dismissal with prejudice shall extend
19 only to defendant Memorex. All other claims against any other defendant or product are
20 specifically reserved and not affected by this order. For the avoidance of doubt, the Accused CF
21 Cards include only CompactFlash™ cards purchased from C-One and Pretec, and not other
22 CompactFlash™ cards.

23 3. Memorex's affirmative defenses against SanDisk are dismissed without prejudice.

24 4. SanDisk and Memorex have entered into a Settlement Agreement, and the United
25 States District Court for the Northern District of California shall retain exclusive jurisdiction to
26 enforce the parties' Settlement Agreement. The terms of the Settlement Agreement will not be
27 admissible or used for any purpose and shall not be referenced or mentioned in any other patent
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1 infringement litigation to which either Memorex or a related company, including Imation, or
2 SanDisk or a related company, including M-Systems, is a party.

3 5. All prior orders in this matter dated prior to August 28, 2007, including the claim
4 construction orders, are vacated with respect to the dispute between SanDisk and Memorex. The
5 orders shall remain in effect with respect to the dispute between SanDisk and the remaining
6 defendant Pretec.

7 6. SanDisk and Memorex shall bear their own costs and attorneys' fees associated
8 with the litigation of this matter prior to the entry of this stipulated order.

9
10 THE ABOVE ORDER IS HEREBY STIPULATED TO AND AGREED BY THE
11 PARTIES.

12 DATED: 8/31, 2007

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

13
14 By: 

15 James C. Yoon
16 Attorneys for Plaintiff
SANDISK CORPORATION

17 DATED: 8/31, 2007

18 KEKER & VAN NEST, LLP

19 By: 

20 Jon B. Streeter
21 Attorneys for Defendant
MEMOREX PRODUCTS, INC.

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ORDER

Pursuant to the stipulation of the parties, IT IS SO ORDERED.

DATED: _____, 2007

THE HONORABLE VAUGHN R. WALKER
UNITED STATES DISTRICT COURT JUDGE

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